

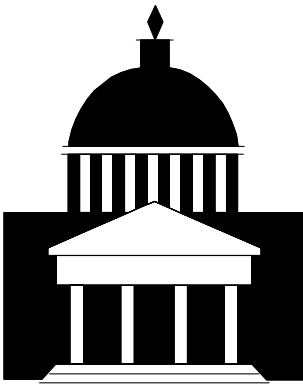
# NJCFS Newsletter

OFFICE OF MANAGEMENT AND BUDGET  
ACCOUNTING BUREAU

Fall 2002

Issue No. 39

## TRANSITION OF PROCURMENT CARD PROGRAM



### INSIDE THIS ISSUE:

|  |          |
|--|----------|
| <b>Electronic Version Of NJCFS Newsletter</b>                                | <b>2</b> |
| <b>Prior Year Liabilities and Claim Citations</b>                            | <b>3</b> |
| <b>Question and Answer</b>   | <b>3</b> |
| <b>Encumbrance Cancellations And Their Impact On Referenced Requisitions</b> | <b>4</b> |
| <b>Update: Vendor Payment Inquiry Application</b>                            | <b>4</b> |

The Purchase Bureau has announced that the provider of the State's successful Procurement Card (Pcard) Program is being transitioned from the Bank of America to Citicorp, Inc. Internal meetings have already begun between Citicorp, Purchase Bureau/MACS-E and other State representatives to ensure a smooth transition for all agencies that make use of this cost-saving procurement process. The Contract Award Recommendation for Citicorp was signed August 6, 2002, and the current Bank of America contract is set to expire in early January. The Purchase Bureau has reserved the right to briefly extend the Bank of America contract if necessary.

Transition should be transparent to State employees who make purchases via a Pcard. No disruption of Pcard purchasing should occur. Cut-off dates will be established for Bank of America cards and activation dates will be set in advance for the new Citicorp cards. MACS-E users should also find a seamless transition in the processing of Pcard transactions within the MACS-E System. Orders and payments to both card providers will be allowed for a limited overlap period to allow Bank of America pending transactions to post and clear through the Pcard reconciliation and payment process.

It is important to note that not all agencies will transition to Citicorp at one time. Each agency Pcard administrator and Chief Financial Officer will be informed by the Purchase Bureau of their expected transition date. The Purchase Bureau is

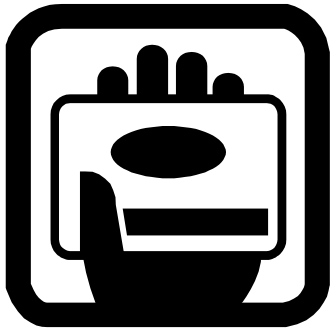
planning to initially transition the Department of Transportation, Treasury Administration, and various billing components of Human Services. Expect further information on this topic at a Pcard Users Meeting that will be scheduled by the end of the year. All agency Pcard Administrators and one MACS-E Pcard processing expert from each agency will be invited to attend.

The Agencies are to continue using their current Bank of America Pcards until otherwise notified. Citicorp cards will be distributed prior to transition, and Bank of America cards will be inactivated shortly afterward. The Citicorp cards will not become valid until the Bank of America cards are inactivated. Following inactivation, the Bank of America cards cannot be used for new purchases; however, any Bank of America related PFST entries that are already in MACS-E or have yet to be entered in MACS-E can be processed during a 90-day window.

This 90-day PFST entry window for pending Bank of America purchases commences for agency billing units when the State instructs the Bank of America to inactivate the cards for the billing unit. The 90-day window will allow for order entry, billing reconciliation and payment of any outstanding Bank of America Pcard purchases via the MACS-E System. It is important that all Pcard users take full advantage of the 90-day MACS-E window for processing Bank of America purchases. Likewise, it is important to note that agencies are never permitted to make

(See "Transition of Procurement Card Program"  
Continued on Page 2)

*("Transition of Procurement Card Program "  
from Page 1)*



Pcard payments directly into NJCFS.

Because of the upcoming January expiration of the Bank of America contract, all PPCP items will need to be reconciled on a timely basis using the current Pcard process. In addition, renewed attention should be given to dispute handling. Verification should be made that dispute forms pertaining to all disputed Bank of America billed transactions have been filed with the Bank of America within sixty days of the billing statement date on which the transaction first appeared.

Currently, an inordinate number of pending PPCP entries exist, with some dating back to 1999. These entries are unacceptable to both the Purchase Bureau and OMB as they represent procurement card purchases that were entered in MACS-E without ultimately being reconciled to the monthly billing statement for payment. In each case, these entries established a liability on NJCFS that will remain open until reconciled or otherwise handled.

Therefore, all PPCP records in a RDY (ready to be reconciled) or DSP (disputed item) status should be analyzed to determine if it is an item that should be paid or if it is an item that is statused incorrectly due to a processing or system error. In no way should entries be closed out just to clear them off the PPCP. Analysis and thought should be given to each open record. Ultimately, each one of these items must be reconciled and paid or cancelled/cleared from MACS-E.

If you have any questions regarding this or any MACS-E Pcard screen function, contact the MACS-E hot line at 609-984-1232.

If you have any questions or concerns regarding the overall transition to the new Pcard vendor, contact Ronald Bloom, State Pcard Administrator, at 609-292-6342.

## ELECTRONIC VERSION OF NJCFS NEWSLETTER



With this issue of the NJCFS Newsletter, the newsletter becomes available only in an electronic format. Hardcopies are not being mailed to agencies. By using an Adobe Acrobat readable .pdf file version of the newsletter, it is being sent via email to a wider population of the NJCFS user community without the usual distribution difficulties and costs that accompany a paper document. Upon receipt, the newsletter can be printed as required or forwarded to other users that may not be on the current OMB distribution list. Michael Henry of the OMB Accounting Bureau can be contacted at [Michael.Henry@Treas.State.NJ.US](mailto:Michael.Henry@Treas.State.NJ.US) to add names to the distribution list. The Newsletter, past and current issues, remain available on the OMB homepage at [www.state.nj.us/treasury/omb/newsletters/index.shtml](http://www.state.nj.us/treasury/omb/newsletters/index.shtml).

## PRIOR YEAR LIABILITIES AND CLAIM CITATIONS

The Fiscal Year 2003 Appropriations Act contains provisions authorizing the Director of OMB to process payments to liquidate prior year liabilities and to pay claims. When these transactions are submitted to OMB for approval, they should include the following citation information:



**Prior Year Liabilities -  
P.L. 2002, Chapter 38, Section 32**

**Claims -  
P.L. 2002, Chapter 38, Section 39**

The accounting transactions used to make these payments **should not be fully approved** by the agency. Documentation packages for these transactions should be submitted to Michael W. Henry, OMB - Accounting Bureau, 33 West State Street - 5th Floor, P.O. Box 221, Trenton, NJ 08625. Questions related to these payments should be directed to Michael at 609-292-0051.

## QUESTION AND ANSWER



**Q.** How Can I determine if a State Vendor has signed-up for ACH?

**A.** In almost all cases, any vendor code with a location code ending in an "8" will automatically cause an ACH disbursement to be generated when referenced on a payment voucher. This means that location codes "08", "18", "28", "38" and on through "98" have been reserved specifically for ACH vendors.

To check if your vendor is an ACH vendor, access the VEND screen of NJCFCS and scan on your vendor's vendor code. Browse through the different VEND records pertaining to your vendor by hitting the enter key. If a vendor record for your vendor appears with an "8" location code, check the ACH VENDOR indicator field. If this field is "Y", meaning "yes", your vendor is registered for ACH. In addition, the name of the vendor will include the statement, "ACH Electronic Payment".

In many cases, a vendor requests that we inactivate their '00' location code vendor record to force the agencies to make use of their ACH vendor record. If this has been completed for your vendor, notation within the COMMENT field of the VEND record directs you to use the correct ACH location code.

## ENCUMBRANCE CANCELLATIONS AND THEIR IMPACT ON REFERENCED REQUISITIONS

Many agency online users unintentionally reopen requisitions when manually canceling open encumbrances that reference a pre-encumbrance. This error often causes problems because funds that are intended for carry forward or lapse in a prior year account are not returned to the uncommitted balance of the account so that the carry forward or lapse can occur. In addition, if this happens in a current year account or a continuing appropriation account, the funds remain tied-up and are not made available for other uses.

To alleviate this problem, agency users are asked to avoid referencing pre-encumbrances on encumbrance cancellation transactions (document action "M", line action "D"). This can be completed by making sure the REF REQ fields of the encumbrance cancellation input screen remain blank. Leaving these fields blank is important especially when entering cancellations pertaining to Grant/Loan Orders (GO's) and Agency Orders (AO's) converted from TE/TH's, because the original transactions establishing these encumbrances or any increases to them must always reference a requisition. These two types of orders often cause the most problems when agency users attempt to cancel them.

Questions related to encumbrance cancellations and their impact on referenced requisitions should be directed to Vincent Marcello at 609-292-5014 or Vincent.Marcello@Treas.State.NJ.US

## UPDATE: VENDOR PAYMENT INQUIRY APPLICATION

In the last NJCFS Newsletter, the OMB Accounting Bureau advised the agencies of the launch of the new web-based Vendor Payment Inquiry (VPI) Application. Since the publication of the article, authentication codes for access to the application were mailed to over 3,500 ACH vendors. Over six hundred of the vendors registered for the application, and vendor feedback from these vendors has been overwhelmingly favorable.

Based on an informal survey and on some unsolicited vendor emails, the application is successfully meeting its purpose in bringing NJCFS detail payment information and State of New Jersey email links to the vendor community. Only a few small tweaks will be made to the application. These changes include an added feature that will allow vendors who have more than one vendor code to display the payments for their multiple vendor codes under one selection request.

In addition to the favorable reports from vendors, two agencies have contacted OMB to take advantage of the two years worth of payment history and scheduled payments available through the application. Unlike the vendors, State employees are permitted to view the payments made to any vendor, as allowed on the NJCFS.

Currently, the Office of Information Technology (OIT) is preparing to generate a staggered mailing to approximately 50,000 non-ACH vendors to inform them of the application.

Any problems or questions related to VPI can be addressed to John Burrows of the Accounting Bureau at 609-984-5217 or John.Burrows@Treas.State.NJ.US

